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REC'D TO  
REGULATORY AUTH.

SEP 9 PM 4 03

Charles L. Howorth, Jr.  
Regulatory Vice President

September 9, 1999  
EXECUTIVE SECRETARY

Mr. David Waddell, Executive Secretary  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, Tennessee 37243

Re: Tariff for Contract Service Arrangement KY98-4958-00  
Docket 99-00244

Dear Mr. Waddell:

Consistent with Mr. Frame's testimony in the above-referenced docket, this letter confirms that the customer's agreement to pay the difference between the actual billed revenue for its V&T Eligible Services and its Minimum Annual Revenue Base, as set forth in Section V of the CSA, does not apply upon the customer's early termination of the CSA. As BellSouth acknowledged during the Director's September 2, 1999 Special Conference, the customer must pay only the amount calculated in accordance with Section IX (as amended) upon early termination of the CSA.

Thus, if amended Section IX requires a payment of \$70,000 upon early termination of the CSA, the customer will pay only \$70,000 upon early termination of the CSA. This is true even if at the time of the early termination, the customer's actual billed revenue for its V&T Eligible Services is \$800,000 below its annual commitment level.

BellSouth has provided a copy of this letter to the customer to confirm the manner in which termination liability charges are calculated under this CSA.

Very truly yours,

  
Charles L. Howorth, Jr.

CLH/jem

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